

MULTIMEDIA



UNIVERSITY

STUDENT ID NO

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MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 2, 2020/2021

DFA5014 – FINANCIAL ACCOUNTING 1

(All sections / Groups)

11 MARCH 2021
9.00 am – 12.00 pm
(3 Hours)

INSTRUCTIONS TO STUDENT

1. This question paper consists of **6** pages with **4** questions only.
2. Attempt **ALL** questions. All questions carry equal marks and the distribution of the marks for each question is given.
3. Please write all your answers in the Answer Booklet provided.

QUESTION 1**Part A**

During October 2020, the following transactions occurred for Dagang Nexchange Berhad.

- Oct 1 Received RM3,650 cash from customer on sales made.
 1 Paid RM11,200 cash for salaries expense.
 8 Earned revenue of RM8,500 of which RM4,000 is collected in cash and the balance is due in December.
 12 Purchased office equipment for RM7,500, paying RM1,500 in cash and the balance on account.
 15 Paid office rental RM10,500.
 17 The owner withdrew RM2,500 in cash for personal use.
 23 Received RM1,250 cash from customer previously billed.
 26 Incurred the utility expenses for the month on account RM550.
 27 Paid advertising expense RM1,890 to HNM Advertising Sdn Bhd.
 28 Paid the balance due on the office equipment purchased on October 12.
 29 Paid the utility expense incurred on Oct 26.
 30 Sold goods amounting RM5,750 cash to customer.

Required

- (a) Analyse each of the above transactions and indicate the effect of each transaction to either increase or decrease in asset, liability or owner's equity. (4 marks)
 (b) Journalise each of the transaction above. (13 marks)

Part B

AME Technology Berhad statement of financial position shows the following balance on June 2020.

- Cash RM52,000
- Account receivable RM14,800
- Inventory RM71,000
- Office equipment RM32,540
- Account payable RM12,500
- Capital RM157,840

Below transactions occurs for AME Technology Berhad during July 2020.

**AME Technology Berhad
General Journal**

Date	Account Title	Debit (RM)	Credit (RM)
July 5	Cash Capital	15,000	15,000
7	Inventory Account payable	5,500	5,500

Continued...

9	Advertising Expenses Cash	6,300	6,300
14	Utilities Expense Utilities payable	820	820
18	Cash Account receivable	7,800	7,800
21	Equipment Cash	2,250	2,250
25	Salaries expense Salaries payable	5,250	5,250
27	Account payable Cash	4,100	4,100
30	Salaries payable Cash	5,250	5,250

Required

(a) Prepare the T-account for cash account.

(6 marks)

(b) Provide the T-account for salaries payable account.

(2 marks)

(Total: 25 marks)

QUESTION 2**Part A**

Below are list of account balances for Amertron Berhad company for the month ended March 2020.

Account title	Amount (RM)
Cash	120,000
Account receivable	58,000
Equipment	32,000
Inventory	22,000
Accumulated depreciation	3,200
Prepaid insurance	2,400
Unearned revenue	5,700
Sales Revenue	192,600
Interest payable	3,400
Accrued revenue	8,200
Account payable	4,200
Notes payable	2,500
Interest expense	1,350
Utilities expense	1,900
Advertising expense	13,000
Salaries expense	12,500
Cleaning and upkeep expense	4,750
Capital	71,000
Owner's drawing	6,500

Continued...

Required

- (a) Prepare the Trial Balance for Amertron Berhad for the month ended March 2020. (10 marks)
- (b) Calculate the total amount of assets. (2 marks)

Part B

Below are the list of transactions for Jaya Enterprise for November 2020.

- i. The amount of inventory at the beginning of the month were RM5,000. A physical counting on the inventory shows that the inventory on hand at 30 November totals RM2,000.
- ii. As at 30 November, the company is yet to pay the employee's salary amounting RM5,800.
- iii. Depreciation for equipment for the month is RM100.
- iv. Unearned revenue amounting RM1,200 has been earned in November as the company had provided the service to the customer.
- v. Sales made on account at 30 November are RM600.
- vi. Insurance expired for the month is RM100.
- vii. Invoices amounting RM12,000 of services performed have not been recorded.
- viii. Paid 5-month rental in advance amounting RM7,500 for cash.

Required

- (a) Indicate the type of adjusting entries needed in each of the above transaction. (4 marks)
- (b) Prepare the adjusting entries for each of the above transaction. (8 marks)
- (c) Briefly explain the effect should the transaction in (vi.) is not being adjusted. (1 mark)
- (Total: 25 marks)

QUESTION 3**Part A**

Below are the list of account balances (after adjustment) extracted from the adjusted trial balance at 31 December 2020 for Kpower Enterprise.

Account title	Amount (RM)	Account title	Amount (RM)
Traveling expense	2,000	Salaries expense	8,750
Salaries payable	1,125	Service revenue	39,500
Accumulated depreciation - Equipment	2,250	Owner's capital	75,000
Inventory	750	Unearned service revenue	5,000
Insurance expense	125	Repairs expense	1,875
Rent expense	1,750	Advertising expense	1,500
Owner's drawing	1,125	Cash	37,250
Inventory expense	125	Depreciation expense	375

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Account receivables	7,500	Account payables	16,250
Utilities expense	1,000	Equipment	75,000
Delivery expense	2,350	Cleaning expense	1,400
Interest expense	1,200	Sales commission expense	3,600

Required

- (a) Prepare the Statement of Profit or Loss for the year ended 31 December 2020 for Kpower Enterprise. (9 marks)
- (b) Prepare the closing entries at 31 December 2020. (10 marks)

Part B

(a) Below are list of independent situation that occurs in the company.

- Iris Berhad acquired a land amounting RM250,000. The company record the purchase of land at the amount the company paid to acquire it, which is RM250,000, although its estimated fair market value is RM300,000.
- UWC Sdn Bhd record the depreciation expense for the machine in the period where the machine operate and helps the company earns revenue.
- Boilermech Sdn Bhd records its service revenue when the company had provide the service to the customer instead of when the cash is collected.
- Due to several internal conflict, Aneka Resources might lose a huge project to its competitor. The company's financial condition will be largely impacted should they lose the project. The company had disclosed this matter in the notes to the financial statements.

Required

Determine the basic accounting principle that is applicable to each of the above situation. (4 marks)

- (b) List any **TWO (2)** examples of permanent account. (2 marks)
- (Total: 25 marks)

QUESTION 4**Part A**

Below are the list of situation that occurs for Wellness Sdn Bhd.

	Situation
i.	Every week, Gina will count the cash received and prepare a report. Gina will then deposited the cash into the cash deposit machine. The same person will prepare the bank reconciliation.
ii.	Elle works as a cashier for the past 10 years and never took any annual leave.
iii.	There is no prenumbered system in the company as the manager thinks that it is not needed.

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iv.	The company have a document room that stores all the physical documents such as invoice, receipts, purchase order and sales record that have pending payment. This room is accessible by any employee.
v.	Don is responsible for preparing the expenses budget for the company as well as reviewing expense proposal from other departments. Don sometimes was instructed by his supervisor to sign off and verify the expense budget report when the supervisor is busy. This sometimes include his own report.

Required

- (a) Indicate the missing internal control on each of the above situation. (5 marks)
- (b) Explain how the missing internal control in (a) could creates an opportunities for a fraud to happen. (5 marks)

Part B

- (a) On 1 July 2020, Sealink Sdn Bhd establishes a petty cash fund by issuing a cheque amounting RM660 to the custodian of the petty cash, Putri. Below are the petty cash receipts submitted by Putri for the replenishment of the petty cash funds, when there is RM150 cash in the fund.

Freight-in	RM66
Office supplies	135
Coffee and snacks	186
Postage expense	69
Printing	30

Required

Prepare the journal entries required to establish the petty cash fund on 1 July and the replenishment of the fund on 31 July. (5 marks)

- (b) Below are the list of information for Megasun Enterprise at 31 July 2020.

- Cash at bank account shows a balance of RM13,008.60 on 31 July.
- The bank statement includes two charges for returned cheques from customers. One is a dishonored cheque for RM240 received from Sinaran Supplies. The other is a RM700 cheque received from Bintai Enterprise and returned due to 'unathorised signature'.
- EFT on rent expense RM2,000.
- The following cheques are outstanding at 31 July:

Cheque number	Amount
252	RM1,600
265	RM648.80
288	RM451.20

- The bank statement includes a deposit of RM2,400, collected by the bank on behalf of Megasun Enterprise.
- The bank statement shows that Megasun Enterprise earned RM71.40 of interest on its bank balance during July. This amount was added to Megasun Enterprise's account by the bank.

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7. Bank service charge, RM20.
8. Deposit in transit RM600.
9. The bank statement includes a RM800 deposit that Megasun Enterprise didn't make it. The bank mistakenly credited the Megasun Enterprise account for another bank customer's deposit.
10. The 31 July bank balance is RM15,420.

Required

Prepare the bank reconciliation at 31 July 2020 for Megasun Enterprise. (10 marks)
(Total: 25 marks)

End of Paper